

Amendment 81-11  
T.L. 81-11  
December 18, 1981

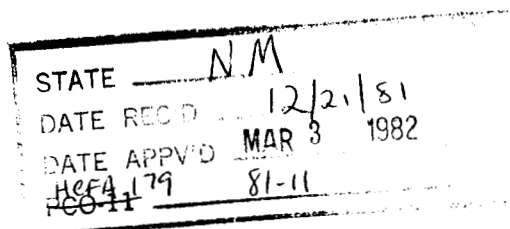
STATE PLAN UNDER TITLE XIX  
NEW MEXICO  
ATTACHMENT 4.22 - A

This attachment specifies guidelines which the Department applies in determining whether to seek reimbursement from liable third parties.

For cases in which a third party has already been identified, all claims pertinent to the type of coverage will be routinely returned to the provider for filing with the third party. For cases in which a liable third party is newly identified, the Human Services Department will not seek reimbursement for claims already filed with the Department when the amount to be recovered from the third party would be less than \$50. The Department has determined that recovery of payments made for less than this amount would not be cost effective because of the staff time, reproducing and mail costs involved. If, after a claim has been paid, the Department learns of the existence of a liable third party, it will seek reimbursement from the third party within 30 days after the end of the month in which it learned of the existence of the liable third party. Claims accumulated for a particular provider up to this point will be applied in establishing whether such collection is cost effective.

In cases of potential liability, such as an accident or work-related injury, the Human Services Department may choose not to pursue tort liability when the amount to be recovered would be less than \$200.

For claims in which a liable third party has been identified, the Department will pay the amount remaining, under the Title XIX payment schedule, after the amount of the third party's liability has been established. Payment will not be withheld if third party liability or the amount of liability cannot be currently established or is not currently available. For claims involving tort liability, the Department will pay the full amount allowed under the Title XIX payment schedule and seek reimbursement from any liable third party to the limit of legal liability.



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Mexico

Requirements for Third Party Liability  
Identifying Liable Resources

This attachment describes the measures taken by the New Mexico Human Services Department to determine the liability of third parties to pay for all or part of the cost of services furnished under the New Mexico Medicaid state plan.

1. Obtaining Health Insurance Information

- A. Medicaid eligibility for all individuals other than those individuals eligible for the Supplemental Security Income Program, Foster Care and Adoptions is determined by the New Mexico Human Services Income Support Division (IV-A Agency)

- (1) At the time of application and at each redetermination of eligibility for AFDC or any other program that would include Medicaid eligibility, the eligibility worker obtains information from the applicant or recipient as to whether he/she has other health insurance or is covered by a health insurance policy owned by someone else.

- (2) If the applicant/recipient is covered by another health insurance policy the eligibility worker obtains:

- (a) name and address of insurance company,
- (b) name, social security number, and dates of birth of covered recipients,
- (c) type of coverage,
- (d) the policy number and/or group number,
- (e) name and address of policy holder's employer,
- (f) policy holder's name and social security number,
- (g) dates of coverage.

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B. Medicaid eligibility because of eligibility for SSI is determined by the Social Security District Offices.

- (1) The New Mexico Human Services Department has an agreement with the Social Security Administration to determine whether the applicant/recipient has other health insurance at the time of initial application or redetermination.
- (2) If other insurance exists the Social Security office obtains the;
  - (a) name and address of the insurance company,
  - (b) policy holder's name and Social Security number,
  - (c) policy numbers and/or group numbers.
- (3) The agreement with SSA also includes a provision for SSA to obtain the appropriate assignment of medical support rights and payments.

C. Transmittal of Information

- (1) For AFDC and all other Medicaid categories other than SSI, the other insurance information is transmitted to the Medicaid TPL unit VIA computer.
- (2) TPL information from Social Security District Offices is transmitted to the Medicaid TPL Unit via form SSA-8019U2 through the U.S. Mail Service.
- (3) If the SSN of an absent parent is available at the time of application for AFDC the name and SSN of the absent parent is maintained in the state's ISD2 eligibility system and can be readily accessed by the Medicaid TPLU. The names and SSN's of absent parents that are maintained in the Child Support Enforcement Data System (COLTS) are available to the MAD-TPLU and if the case has been investigated by the IV-D agency, the information can be utilized to identify whether or not the absent parent is employed and if so, the name and address of the employer can also be obtained.

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- (4) Names and SSN's of custodial parents are maintained in the ISD-2 system or in the Social Services ADAPT system. The Social Services "ADAPT" system includes only the names of the parents of children eligible for Medicaid benefits by virtue of placement in a foster home and having met AFDC income and resource standards. AT such time as Social Security number for both absent and custodial parents are obtained, these numbers will be available to the Third Party Liability Unit of the Medical Assistance Division.

D. Use of Data by Medicaid Agency

- (1) When information is received by the Title XIX TPL Unit either via computer system or mail, the following takes place,
- (a) information verified
  - (b) action taken to include other insurance information in files of Medicaid fiscal agent (name and address of insurance company, policy holder's name and social security number, coverage codes, dates of coverage, policy numbers),
  - (c) updates to the fiscal agent's files will be accomplished within 60 days of receipt of the information.
- (2) After fiscal agent incorporates information into their files all claims for payment of medical services are passed against these files,
- (a) if a claim come in for a recipient who's file indicates other insurance coverage, the following occurs:
    - (1) system compares date of service to coverage date,
    - (2) checks type of service to coverage,
    - (3) if date of service is within coverage dates and service is included in the insurance coverage, the claim is denied and a facsimile claim is produced that

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- includes all of the information that was on the original claim plus the name and address of the etc. This claim is returned to the provider and can then be filed by the provider of service with the appropriate insurance company for payment.
- (4) the amount that would have been paid by medicaid is then stored for future retrieval as a cost avoidance.

## 2. Exchange of Data

### A. State wage information collection agency (SWICA)

- (1) The Data Exchange with the State Labor Department (SWICA) is carried out by way of the HSD eligibility computer system ISD-2 having direct access to the data included in the State Labor Department's computer files.
- (a) at the time of application or redetermination for any program that carries Medicaid eligibility other than SSI, Foster Care or Adoptions, the parents, (either absent or custodial) SSN's are passed against the Labor Department files. If a match occurs, the information is utilized in the eligibility determination and included in the case and system file for future use by both the IV-A agency and the Medical Assistance Division TPL Unit. A positive match would require the eligibility worker to again inquire about the existence of a health insurance policy.
- (b) the MAD-TPLU will perform a data match of Medicaid eligibles and absent parents of Medicaid eligible children with the state WDX information on a quarterly basis. A positive match will result in a follow-up to the employer to determine if health insurance exists, if children are covered and the source and amount of the coverage. If coverage is found to exist, the TPL data is input into the Medicaid fiscal agents eligibility files within

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60 days to accomplish cost avoidance.

B. State Workers Compensation

- (1) The new Mexico Medical Assistance Division has attempted to secure an agreement with the New Mexico Workers Compensation Commission to match Medicaid Eligibility files (name and SSN) with theirs to identify potential medical resources resulting from employment related accidents. Because the workers compensation agency does not have the resources to perform the data matches, they agreed to provide information to the Department so the Department could perform the matches. The Department is currently exploring ways to perform these matches.
- (2) These data matches would take place at least two times a year.
- (3) A positive match would result in the MAD/TPL Unit forwarding an inquiry to the recipient to determine the nature of the injury, the dates, employer, attorney, insurance company, and other related information that could be used to identify funds that could be recouped or cost avoided.
- (4) All communications will be maintained to document failure to reach agreement.

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C. State Motor Vehicle Accident Report Files

- (1) The New Mexico Medical Assistance Division TPL Unit will attempt to secure an agreement with the New Mexico Highway and Transportation Department to match the New Mexico Medicaid eligibility file (including all individuals either currently eligible or those that were eligible within the last year) against their files of individuals that were involved in accidents.
- (2) The agreement would provide for carrying out data matches twice a year.

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- (3) A positive match would result in the MAD/TPL Unit following up with an inquiry to obtain the specifics of the accident, (date, other parties, insurance coverage who caused accident, attorneys involved, etc). This information would then be used to determine if funds could be recouped.
- (4) All correspondence and communication will be maintained to document failure to reach an agreement.

D. Data Exchange with Private Insurance Carriers

- (1) The New Mexico Medical Assistance Division TPL Unit will attempt to secure agreements with the larger insurance carriers to perform computer matches of states Medicaid eligibility files with their subscriber files.
- (2) All communication and correspondence will be maintained.

E. MAD TPL Unit on yearly basis Accomplishes a Data Exchange with CHAMPUS

3. Diagnosis and Trauma Code Edits

- A. The New Mexico Medicaid program currently subjects all claims with a dollar amount over \$100 to an edit that compares the diagnosis and procedure codes on the claim with identified trauma diagnoses and procedure codes (ICD-9-CM codes 800 thou 999 and selected procedure codes).
- B. A positive hit from this edit results in the production and forwarding of an inquiry letter to the recipient identified on the claim to ascertain the specifics of the accident.
  - (1) dates, names, insurance
  - (2) who was at fault
  - (3) type of accident, attorneys involved
  - (4) other party insurance.

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- C. Failure to respond to the inquiry within 30 days results in a follow-up inquiry. Failure to respond after 90 days results in termination of Medicaid benefits.
- D. This edit is on-going in the claims processing system and inquiry letters are produced and mailed once a month.
- E. MAD/TPL Unit will work with Medicaid fiscal agent to identify those codes that yield the highest third party collection.

4. Frequency of Data Exchange and Trauma Code Edits

- A. The comparing of AFDC, etc., applicants SSN against the SWICA (State Labor Department) file occurs at the time the applicant applies for assistance (a positive match of this information results in the caseworker making further inquiry as to the existence of other insurance. The existence of other health insurance is then reported via the ISD-2 system to the MAD/TPL Unit.
- B. Other data exchange programs, such as Highway and Transportation Department, Workers Comp, and private insurance will take place at least two times a year, but not more often than every quarter.

5. Follow-ups Procedures for Identifying Legally Liable Third Party Resources

- A. The MAD/TPL Unit immediately verifies information received concerning the existence of potential third party resources.

- (1) Follow-ups on positive hits from Workers Comp or Highway and Transportation Department files would occur in the form of an inquiry letter within 2 weeks of receipt of information.
- (2) If inquiry results in the identification of a resource action is taken to prepare a file for interim follow-up (tort) or update fiscal agent files with appropriate information for cost avoidance.

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- (3) If a positive match occurs in the data exchange with private insurance carriers, action is taken within 10 working days to verify the insurance coverage and update the Medicaid fiscal agent files.

B. Inquiry letters that are generated as a result of a positive hit in the trauma code edit are mailed once a month. Follow-up inquiries are mailed every 30 days thereafter. Inquiry letters that are returned that indicate potential tort liability result in the creation of a case file and the forwarding of communication to attorney and/or insurance company of the state's subrogation right. Recipient histories are ordered to determine the amount paid by the Medicaid program as a result of the accident. Information in the recipient history is shared with the attorney involved if a proper release of medical information is executed by the recipient. Subsequent follow-ups are directed to the involved parties as required.

#### 6. Safeguarding Information

A. All information received by the MAD/TPL Unit is held in strict confidence.

B. Provisions for confidentiality are included in all data exchange agreements.

C. Specific information is not divulged unless a properly executed release is provided.

#### Use of TPL Information

A. If information received and verified indicates the existence of a health insurance policy, specific information is incorporated into the Medicaid fiscal agents files to prevent the payment of a claim that could be paid by the other insurance except as follows:

- (1) prenatal or preventative services
- (2) services provided to an individual on whose behalf child support enforcement is being carried out by the title IV-D agency and communicated to the Medicaid agency.

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- B. If information received reveals potential tort liability, files are prepared and maintained, attorneys and insurance companies are informed of subrogation rights and communication maintained until case is settled.

8. Cooperative Agreements with Other Agencies

- A. The New Mexico MAD/TPL Unit is in the process of entering into agreements with the New Mexico Income Support Division to carry out the required TPL activities related to obtaining TPL information and Child Support Enforcement.
- B. The New Mexico MAD/TPL Unit is in the process of preparing and entering into an agreement with the Social Services Division to obtain TPL information and assignments of medical Support and payment rights for individuals that are eligible for Medicaid by virtue of foster care or adoptions.

9. Reports

- A. In addition to reports routinely produced to document TPL activities, the Medical Assistance Division will Produce Reports that the Secretary deems necessary to determine compliance with the regulation.

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